

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6647**

**BILL NUMBER:** HB 1340

**DATE PREPARED:** Dec 21, 2000

**BILL AMENDED:**

**SUBJECT:** State Costs for Housing Felons in County Jails.

**FISCAL ANALYST:** Mark Goodpaster

**PHONE NUMBER:** 232-9852

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill requires full funding of contracts for housing felons committed to the Department of Correction (DOC) in a county jail. It also codifies standards related to the transport of felons to the DOC, which were enacted in a noncode provision of P.L.273-1999 (the Budget Bill).

**Effective Date:** Upon passage; July 1, 1999 (retroactive).

**Explanation of State Expenditures:** Under the current budget bill, DOC pays county jails \$35 per day to house offenders sentenced to DOC facilities and who are incarcerated in jails for more than five days. DOC also reimburses the counties for any medical expenses incurred. This bill would specify that the reimbursement rate would be based on the average daily cost to the county in the preceding calendar year using a methodology established by the State Board of Accounts. The fiscal impact to the state will depend upon the methodology established through administrative action.

*Background:* If the county does not calculate this average cost on the forms prepared by the State Board of Accounts, the county would be reimbursed at the rate of the lesser of \$35 or the latest average daily cost certified to the Department of Correction by the county. Currently, the State Board of Accounts does not provide a methodology for calculating average costs at the county level for reimbursement for any type of activity. Counties would also continue to be reimbursed for any costs incurred in providing medical services to DOC offenders.

For the 2000 - 2001 biennium, the appropriation for county maintenance was \$18.5 M for both years. The reported expenditure for FY 2000 was \$18,360,515. Year-to-date expenditures for FY 2001 are \$7,342,103. The reported expenditure covers both the daily payment of \$35 per offender and medical expenses incurred by the sheriff's office.

(The average daily population of these offenders in county jails ranges between 1,300 and 1,350. Based on



these figures, the required payment to county jails at \$35 per day would be between \$16.6 M and \$17.2 M annually. This estimated cost does not include reimbursements for medical expenses.)

The fiscal effect that this bill would have on county reimbursements would depend on what the State Board of Accounts would allow to be included as costs. If the average daily cost includes all expenses that the jails incur divided by the number of inmates, it is likely that the average daily cost computation will exceed the current daily reimbursement of \$35. Consequently, the state would incur additional costs in reimbursing counties. However, if the State Board of Accounts includes only the costs that will vary with the change in the number of inmates (food, clothing, and custodial staff) then it is possible that the reimbursement rate might be less than the current \$35 rate.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Depending upon the number of offenders incarcerated for the Department of Correction and the average cost methodology established by the State Board of Accounts, revenues for expenditures incurred by county jails would be affected.

**State Agencies Affected:** Department of Correction.

**Local Agencies Affected:** County jails.

**Information Sources:** HEA 1001 - 1999; Department of Correction.